

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-420-E - ORDER NO. 2012-202

MARCH 13, 2012

IN RE: Application of Duke Energy Carolinas, LLC for Approval of Rider EE Vintage 3) ORDER APPROVING) WITH CONDITIONS) RIDER EE VINTAGE 3) COVERING ENERGY) EFFICIENCY AND) DEMAND SIDE) MANAGEMENT) PROGRAMS
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This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Carolinas, LLC (“Duke” or “the Company”) for approval of Rider EE Vintage 3, covering energy efficiency and demand side management programs within Duke’s Modified save-a-watt program. Duke proposed the following Vintage 3 rates:

- Residential Rider EE of 0.3141 cents/kWh;
- Non-Residential Rider EE Vintage 1 (prospective component) of 0.0006 cents/kWh;
- Non-Residential Rider EE Vintage 2 (prospective component) of 0.0052 cents/kWh;
- Non-Residential Rider EE Vintage 3 (prospective component) of 0.0495 cents/kWh;
- Non-Residential Rider DSM Vintage 3 (prospective component) of 0.0742 cents/kWh;

- Non-Residential Rider EE Vintage 1 (true-up component) of 0.0187 cents/kWh; and
- Non-Residential Rider DSM Vintage 1 (true-up component) of 0.0140 cents/kWh.

On January 10, 2012, the Office of Regulatory Staff (“ORS”) filed its review letter, recommending several adjustments to the proposed rates. The Company did not comment on the ORS proposed adjustments. We accept all of the ORS proposed adjustments and the resulting changes in the Rider 3 DSM and EE billing factors.

Pursuant to the Settlement Agreement approved by the Commission in Docket No. 2009-226-E, the Company committed to performing a mid-term true-up as part of the Vintage 3 filing. ORS noted in its review letter that the true-up included as part of the requested Vintage 3 rider is incomplete because it does not include any true-up for actual kilowatt and kilowatt hour impacts as required by the Settlement Agreement. While this omission concerns the Commission, the fact that no rider is currently in place for the save-a-watt program is paramount in our consideration of the Company’s Application. In order to preserve the continuity of the rider and prevent the customer from being detrimentally impacted by the lapse, we approve the Vintage 3 rider, as adjusted by ORS, subject to a number of conditions recommended by various parties as follows:

- The Company shall perform a Vintage 1 and Vintage 2 true-up for actual kilowatt and kilowatt hour impacts for all programs except the Non-Residential Smart Saver Custom Rebate Program and the Low Income Energy Efficiency and Weatherization Assistance Program as part of the Vintage 4 filing in 2012. The

kilowatt and kilowatt hour true-up for Vintage 3 will be performed as part of the final true-up in year 6.

- The Company should explore cost-effective ways to encourage non-residential customers who have opted out to participate in the Company's energy efficiency programs.
- The Company shall file with the Commission all EM&V results, reports, or other documentation upon completion of the studies.
- The Company shall provide a clear timeline – both past and future – for applying EM&V results to program energy savings estimates for the true-up, including the start, end, and effective dates of the EM&V reports. The Company shall file this timeline with the Commission by March 30, 2012.
- The Company shall file a schedule for the Company's annual save-a-watt rider proceeding that: (1) allows no less than 90 days from the date of the Company's Application until the effective date of the rider, (2) includes a deadline for Petitions to Intervene that expires 30 days after the Company's filing date, and (3) requires ORS and other intervenors to comment on the Company's Application no later than 45 days after the Company's filing date. This schedule shall be filed with the Commission by March 30, 2012.

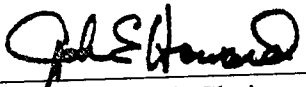
Additionally, in order to clarify some aspects of the modified save-a-watt program, Commission Staff developed a list of inquiries for the Company and ORS that was distributed at the February 14, 2012, Commission meeting. The Company and ORS shall provide responses to those questions by March 30, 2012.

IT IS THEREFORE ORDERED:

1. Duke's request to implement Rider EE Vintage 3, as adjusted by ORS, is approved, subject to the above-listed conditions.
2. The Residential Rider EE is 0.3044 cents/KWh;
3. The Non-Residential Rider EE Vintage 1 (prospective component) is 0.0006 cents/KWh; and
4. The Non-Residential Rider EE Vintage 2 (prospective component) is 0.0052 cents/KWh; and
5. The Non-Residential Rider EE Vintage 3 (prospective component) is 0.0495 cents/KWh; and
6. The Non-Residential Rider DSM Vintage 3 (prospective component) is 0.0651 cents/KWh.
7. The Non-Residential Rider EE Vintage 1 (true-up component) is 0.0186 cents/KWh;
8. The Non-Residential Rider DSM Vintage 1 (true-up component) is 0.0139 cents/KWh; and


9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman
(SEAL)